

OVERSIGHT BOARD
SUCCESSOR AGENCY
TO THE WEST HOLLYWOOD
COMMUNITY DEVELOPMENT COMMISSION

MARCH 24, 2016

SUBJECT: RESOLUTION APPROVING THE FIRST AMENDMENT TO
THE JOINT EXERCISE OF POWERS AGREEMENT FOR
THE WEST HOLLYWOOD PUBLIC FINANCING AUTHORITY

INITIATED BY: SUCCESSOR AGENCY

(David A. Wilson, Director of Finance & Technology Services)

(John Leonard, Revenue Manager) *JPL*

Y. A. Wilson

STATEMENT ON THE SUBJECT:

The Oversight Board will consider approving the first amendment to the Joint Exercise of Powers Agreement for the West Hollywood Public Financing Authority. The amendment will withdraw the Successor Agency to the Community Development Commission as a member and add the West Hollywood Housing Authority as a member.

RECOMMENDATION:

Adopt Resolution No. OB16-017 "RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION APPROVING AN AMENDMENT TO THE JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE WEST HOLLYWOOD PUBLIC FINANCING AUTHORITY FOR THE PURPOSE OF ADDING THE WEST HOLLYWOOD HOUSING AUTHORITY AS AN ADDITIONAL MEMBER AND REMOVING THE SUCCESSOR AGENCY TO THE WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION AS A MEMBER"

BACKGROUND ANALYSIS:

The City of West Hollywood issues many of its financing obligations through the West Hollywood Public Financing Authority (the "PFA"). The PFA was created as a joint exercise of powers authority by the City and the West Hollywood Community Development Commission pursuant to a Joint Exercise of Powers Agreement dated August 1, 2003. To exist public financing authorities must have at least two members.

Pursuant to amendments to the Community Redevelopment Law enacted by ABx1 26, the West Hollywood Community Development Commission has been dissolved and has been succeeded by the Successor Agency to the West Hollywood Community Development Commission ("Successor Agency"). However, pursuant to State Health and Safety Code Section 34187(b), which

was enacted by AB 1484, the Successor Agency will dissolve within one year after the last debt of the Successor Agency has been satisfied; which will be in 2043. This is problematic for the Joint Exercise of Powers Agreement because current City of West Hollywood issued debt, and new bonds the City plans to issue this year, will mature after this date. This amendment is needed so that the Joint Exercise of Powers Agreement will remain in effect for the full term of the City debt. The amendment is also needed so that the City can move forward with the issuance of 2016 Lease Revenue Bonds to finance a portion of the West Hollywood Park Phase II Implementation Project.

At the time the Joint Exercise of Powers Agreement was enacted it was not anticipated that the Community Development Commission would be dissolved. Since the Successor Agency will dissolve prior to the maturity of City debt it is necessary to remove the Successor Agency from the Joint Exercise of Powers Agreement and replace it with an entity that does not have a fixed dissolution date. For this reason, staff and legal counsel recommend an amendment of the Joint Exercise of Powers Agreement to add the West Hollywood Housing Authority (the "Housing Authority") to replace the Successor Agency as the second party. This action will have no impact on Successor Agency debt.

The amendment will be presented to the City of West Hollywood City Council, Successor Agency Board, and West Hollywood Housing Authority Board on Monday, March 21, for approval. If approved by the Oversight Board the amendment will be forwarded to the State Department of Finance for review.

FISCAL IMPACT:

There is no fiscal impact to this item.

ATTACHMENTS:

Attachment 1: Resolution

Attachment 2: Amendment No.1 to the Joint Exercise of Powers Agreement

Attachment 1

RESOLUTION NO. OB16-017

“RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION APPROVING AN AMENDMENT TO THE JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE WEST HOLLYWOOD PUBLIC FINANCING AUTHORITY FOR THE PURPOSE OF ADDING THE WEST HOLLYWOOD HOUSING AUTHORITY AS AN ADDITIONAL MEMBER AND REMOVING THE SUCCESSOR AGENCY TO THE WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION AS A MEMBER”

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The Oversight Board of the Successor Agency to the West Hollywood Community Development Commission (the “Oversight Board”) does resolve as follows:

Section 1. The Oversight Board finds and declares that:

- A. The City of West Hollywood (the “City”) and the West Hollywood Community Development Commission (the “Agency”) have previously entered into a Joint Exercise of Powers Agreement dated as of August 1, 2003, (the “Joint Powers Agreement”) forming the West Hollywood Public Financing Authority (the “Public Financing Authority”) as a separate public agency under the laws of the State of California;
- B. The Agency has been dissolved under the provisions of Assembly Bill X1 26, which became effective on June 29, 2011 (the “Dissolution Act”), and under the Dissolution Act all of the authority, rights, powers, duties and obligations of the Agency have been vested in the City of West Hollywood, as Successor Agency (the “Successor Agency”); and
- C. In order to ensure the continuing existence of the Public Financing Authority, the City and the Successor Agency have proposed to add the West Hollywood Housing Authority (the “Housing Authority”) as an additional member and to remove the Successor Agency as a member of the Public Financing Authority.

Section 2. The Oversight Board hereby approves execution of a First Amendment to Joint Exercise of Powers Agreement by the Successor Agency, in substantially the form placed on file with the Secretary, with such changes as are approved by the Executive Director of the Successor Agency.

Section 3. The Oversight Board Secretary is directed to certify the adoption of this Resolution, record this Resolution in the book of the Oversight Board’s original resolutions, and make a minute of the adoption of the Resolution in the Oversight Board’s records and the minutes of this meeting.

Section 4. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED, APPROVED, AND ADOPTED this 24th day of March, 2016.

Yvonne Quarker, Oversight Board Vice-Chair,
in the absence of Chair Martin Zimmerman

ATTEST:

Cesar Hernandez, Deputy Clerk
Los Angeles County Board of Supervisors
Acting as Secretary for the Oversight Board
of the Successor Agency to the
West Hollywood Community Development Commission

I HEREBY CERTIFY that the above and foregoing ordinance was duly passed and adopted by the Oversight Board of the Successor Agency to the West Hollywood Community Development Commission at a special meeting held on the 24th day of March, 2016, by the following vote, to wit:

AYES;

NOES;

ABSENT:

Attachment 2

Amendment No. 1 to the
Joint Exercise of Powers Agreement

FIRST AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT

WEST HOLLYWOOD PUBLIC FINANCING AUTHORITY

This First Amendment to Joint Exercise of Powers Agreement (this "First Amendment") is dated as of March 21, 2016, among the City of West Hollywood, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), the Successor Agency to the West Hollywood Community Development Commission, a public entity duly organized and existing under the laws of the State of California (the "Successor Agency"), and the West Hollywood Housing Authority, a public entity duly organized and existing under the laws of the State of California (the "Housing Authority");

BACKGROUND:

1. The City and the West Hollywood Community Development Commission (the "Agency") previously entered into a Joint Exercise of Powers Agreement dated as of August 1, 2003 (the "Joint Powers Agreement") forming the West Hollywood Public Financing Authority (the "Public Financing Authority") as a separate public agency under the laws of the State of California.

2. The Agency was dissolved under the provisions of Assembly Bill X1 26, which became effective on June 29, 2011 (the "Dissolution Act"), and under the Dissolution Act all of the authority, rights, powers, duties and obligations of the Agency have been vested in the City of West Hollywood, as the Successor Agency to the West Hollywood Community Development Commission.

3. The Housing Authority was formed pursuant to Resolution No. 785 adopted by the City Council of the City on December 17, 1990, as a public entity duly organized and existing under the laws of the State of California.

4. In order to ensure the continuing existence of the Public Financing Authority, the City and the Successor Agency have proposed to add the West Hollywood Housing Authority (the "Housing Authority") as an additional member.

5. Concurrently with the addition of the Housing Authority as an additional member of the Public Financing Authority, the parties to the Joint Powers Agreement have further proposed to remove the Successor Agency as a member of the Public Financing Authority.

AGREEMENT:

In consideration of the premises and the material covenants contained herein, the City, the Successor Agency and the Housing Authority hereby agree as follows:

Section 1. Amendment to Add Housing Authority as Additional Member.

The Joint Powers Agreement is hereby amended by adding the Housing Authority as an additional party thereto. By its execution of this First Amendment, the Housing Authority shall become a member of the Public Financing Authority for all purposes thereof, and

shall be deemed to be a signatory to the Joint Powers Agreement. From and after the date of execution and delivery of this First Amendment, the Housing Authority shall be deemed to be a "Member" of the Joint Powers Agreement under and within the meaning thereof.

Section 2. Amendment to Remove Successor Agency as Member. The Joint Powers Agreement is hereby further amended by removing the Successor Agency as a member of the Public Financing Authority. By its execution of this First Amendment, the Successor Agency shall cease to be a member of the Public Financing Authority for all purposes thereof.

From the effective date of this First Amendment, all references in the Joint Powers Agreement to the Agency shall be deemed to be a reference to the Housing Authority.

Section 3. Technical Amendments.

Section 4.03 of the Joint Powers Agreement is hereby amended to read in its entirety as follows:

"Section 4.03. Notices. Notices hereunder shall be in writing and shall be sufficient if delivered to:

City of West Hollywood
8300 Santa Monica Boulevard
West Hollywood, California 90069
Attention: City Manager

West Hollywood Housing Authority
8300 Santa Monica Boulevard
West Hollywood, California 90069
Attention: City Manager

Section 4. Effect of Amendment. The Joint Powers Agreement shall remain in effect, and the Public Financing Authority shall continue its existence as a joint exercise of powers agency under the laws of the State of California, at all times following the execution and delivery of this First Amendment, notwithstanding the dissolution of the Agency and any resulting dissolution of the Successor Agency.

Section 5. Effective Date. This First Amendment shall take effect immediately upon (i) the adoption of a resolution approving the execution and delivery hereof by the governing body of each of the City, the Successor Agency and the Housing Authority, and (ii) the effective date of a resolution of the Successor Agency to the West Hollywood Community Development Commission Oversight Board, notwithstanding that the execution and delivery of this First Amendment may take place subsequent to the adoption of such resolutions.

Section 6. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

CITY OF WEST HOLLYWOOD

By: _____
Mayor

ATTEST:

By: _____
City Clerk

**SUCCESSOR AGENCY OF THE WEST
HOLLYWOOD COMMUNITY
DEVELOPMENT COMMISSION**

By: _____
Chair

ATTEST:

By: _____
Secretary

**WEST HOLLYWOOD HOUSING
AUTHORITY**

By: _____
Chair

ATTEST:

By: _____
Secretary